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# New Health Insurance Rights!

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**A Guide To New Laws That  
Improve Your Access To  
Health Insurance Coverage**



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January 1997**

## New Laws Improve Access to Health Care Coverage.

This guide introduces laws designed to improve access to insurance for thousands of people.

**Massachusetts laws** apply to health coverage provided by any insurance company (including Health Maintenance Organizations [HMOs] and Blue Cross/Blue Shield). These laws provide different protections for the following three types of coverage: (1) individual coverage, for persons who are not covered by their employer; (2) small group coverage, for small businesses with 50 or fewer employees and self-employed persons; and (3) large group coverage, for large businesses and college health plans.

**A federal law**, called the **Kennedy/Kassebaum bill**, will soon extend similar protections to health plans provided by large businesses which are self-insured so that all health plans will have to follow similar rules.

## Is A Business Required To Provide Health Insurance For Employees?

**No.** A business is required to cover only injuries at work through workers' compensation insurance, but is not required to offer health insurance to its employees. If a business does offer health insurance to employees, it must comply with rules that: (a) protect employees against denial of coverage based on their medical condition, and (b) allow employees to maintain coverage for at least 18 months after they leave their jobs. Even if a business offers health insurance, it may cancel the plan at any time.

## Can My Employer Deny Me Coverage Or Charge Me More For Group Health Insurance?

**No.** *If your employer offers group health coverage and you are a full-time employee, you cannot be denied coverage, or charged more, by your employer, insurance company or HMO for group coverage based on your health condition, medical history, genetic information or any condition arising from acts of domestic violence.* An insurance company or HMO may, however, charge your employer more based on your age. On rare occasions, employers pass that additional cost onto individual employees.

## Can My Small Business Obtain Health Insurance for its Workers?

**Yes.** A self-employed person and a business with 50 or fewer employees cannot be turned down by any insurance company or HMO that sells health coverage to other small businesses. The premium charged by an insurance company or HMO to a small business cannot vary based on the health of the employees, except in some cases for a limited reinsurance assessment. HMOs are required to offer coverage only within their geographic service areas. An insurance company or HMO may require that a business with five or fewer employees buy coverage through an intermediary such as a local chamber of commerce. A company seeking coverage should contact several insurance companies or HMOs to request a list of group health plans, the premium ranges for these plans, and information on how to enroll.



## Can I Keep My Coverage If I Lose My Job?

**Yes.** Under a law known as COBRA, as long as your employer continues to offer health insurance to workers, *you and your covered dependants can stay on that health plan for at least 18 months after you leave your job.* This does not apply if you are fired for gross misconduct. After your employer informs your health plan that you have left your job, your health plan must inform you of your right to continue your insurance. Once you receive that notice you have 60 days to elect to continue coverage under the group plan. Your coverage will date back to when you left your job. You will be required to pay the full cost of the plan plus up to 2 percent for administrative costs, even if your employer had been paying a portion while you were employed. If you are disabled, you can continue on the health plan for 29 months, but after 18 months you may be required to pay 150% of the prior premium. COBRA does not apply to self-insured groups with fewer than 20 members.

## What Happens to My Coverage If I Divorce or Separate?

**Divorced or Separated Spouses:** If you were covered by your spouse's group health plan prior to a divorce or separation, two laws may provide you access to continuation coverage. Please consult with an attorney to make sure you will be covered after your divorce or separation.

Under Massachusetts law, if your spouse's group health plan is provided by an insurance company or HMO and is not self-insured, you may continue your coverage after a divorce or separation as though no divorce took place until you remarry or as your divorce judgement provides. *The carrier*

*cannot charge more for this coverage than it charged prior to the divorce.* A divorce judgment may limit this right, so you should consult with your attorney about health coverage before a decree is entered. If you are not eligible for this coverage, you may continue your coverage under COBRA.

Under COBRA, you may continue on your spouse's plan for 36 months after you divorce or separate, even if the plan is self-insured. You or your former spouse must inform your spouse's health plan within sixty days of losing coverage as a result of your divorce or separation. The health plan must then inform you of your right to continue your coverage. Once you receive that notice, you have 60 days to elect to continue coverage. Your coverage will date back to when you left your job. You will be required to pay the full cost of the plan plus up to 2 % for administrative costs.

**Death of a Spouse:** COBRA also allows a spouse and children to continue coverage for 36 months after the death of a spouse or parent.

## Will My Health Problem Be Covered?

**People without health insurance:** If you and your dependents do not have health insurance, your new health insurance company or HMO may refuse to pay benefits for **six months** for any health problem diagnosed or treated in the six months before you joined that health plan. As of July 1997, a pregnancy which existed prior to enrollment must be covered, and newborns or adopted children must be covered without any limitations as long as the child is enrolled within 30 days of birth or adoption. As of July 1997, similar rules will apply to self-insured

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***Important Information on Your Health Insurance Rights...***

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